

SECRETKOREA*State paper on Korean/
US security issues*Background and US-Korean Relations

The President met Chun in February, 1981, during Chun's Washington visit (the first by a head of state after the President's inauguration). That visit marked the beginning of what has been an unusually smooth period in US-Korean relations. The issues that clouded the relationship in the past--the troop withdrawal plan of the Carter Administration, "Koreagate," and ROKG resentment over the Carter Administration's public pronouncements on human rights--have largely been resolved. Our close cooperation in the aftermath of the KAL and Rangoon tragedies has further strengthened the bilateral relationship, and the President will want to commend Chun both for the vigor and effectiveness of Korean participation in the international effort to call the Soviets to account and for the restraint he displayed in the aftermath of the Rangoon bombing. Chun has consolidated his domestic position and taken some political steps which have been welcomed internationally. The Koreans are determined to make this visit a "success," and Chun will seek to use it to strengthen his own political position. The visit presents an opportunity for us to reinforce our security commitment and to review several key issues:

Security: The US commitment to Korea's security is at the heart of the relationship. North Korea continues its massive military buildup and poses a major threat; the presence of 39,000 US troops is an important deterrent. We have made it clear that we will not withdraw US ground forces; the President should stress our firm commitment but also note the need for continued restraint in responding to North Korean provocations such as in Rangoon.

President Chun may raise two issues in this area--security assistance (FMS) and third-country sales. On FMS, the President should emphasize that we are doing what we can to meet Korean requirements within budget constraints. He should also make clear that those constraints are going to be with us for some time. On third-country sales of US-origin items and technology, the President should note that we will continue to seek ways to help the Koreans, but that our flexibility is limited by law. He should stress to Chun the potential damage to the bilateral relationship of any Korean sales of US-licensed arms to Iran or Iraq.

Tension Reduction: The President will want to compliment Chun on the imaginative proposals Korea has made toward the North, such as Chun's repeated offers to meet with Kim Il Sung, and stress our continued support for Korean moves in this area. He should note that despite the tragedy of Rangoon, both our Governments should seriously consider eventual further initiatives to reduce tension, and encourage progress toward cross-contacts between North and South Korea and their respective major allies.

Political Stability and Development: President Chun in effect seized power in a coup and his base of support remains narrow and concentrated in the military. There is tension between the Government and

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